

Message Text

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ACTION EB-08

INFO OCT-01 EA-07 NEA-10 ISO-00 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 COME-00 DODE-00 FPC-01 H-01 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /105 W

-----290751Z 018965 /22

R 290302Z MAR 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 7686

INFO AMEMBASSY JIDDA

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E.O. 11652: NA

TAGS: ENRG, RP

SUBJECT: SAUDIS AND RP AGREE ON OIL SUPPLY IN PRINCIPLE

REF: MANILA 3519

1. THE SAUDIS ARE WILLING TO SUPPLY THE PNOC WITH CRUDE OIL. THIS IS THE REPORT OF FERDERICO E. PUNO, FINANCE MANAGER OF THE PHILIPPINE NATIONAL OIL COMPANY WHO ACCOMPANIED CHARIMAN VELASCO ON HIS RECENT MIDDLE EAST TRIP.

2. PETROMIN HAS AGREED TO REVIEW ITS CONTRACT WITH PNOC UNDER THE "SAME ARRANGEMENTS" AS PREVIOUS CONTRACTS (NOT FURTHER DEFINED). STILL TO BE FIRMED UP IS THE MIX OF THE CRUDES, THE NUMBER OF BARRELS AND THE TIMING OF LIFTINGS. THE PNOC IS ASKING FOR A HIGHER LEVEL OF LIFTINGS THAN BEFORE, MORE THAN 10,000 BBLS/DAY AND THE SAUDIS HAVE NOT AGREED YET ACCORDING TO PUNO ROBERTO GUISON OF PNOC HAS AGAIN BEEN LEFT BEHIND IN JIDDA TO FINALIZE THE CONTRACT. ANTONIO DEL ROSARIO, EXECUTIVE VICE PRESIDENT OF PNOC, CONFIRMS THE "CONCEPTS FOR RENEWAL" WERE AGREED TO DURING VELASCO'S RECENT VISIT, BUT THE "NITTY-GRITTY"

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DETAILS HAVE YET TO BE NEGOTIATED.

3. BOTH DEL ROSARIO AND PUNO CLAIM THAT THE CURRENT ATTEMPTS TO REACH A SETTLEMENT IN MINDANAO IS NOT AN ISSUE IN THE SUPPLY NEGOTIATIONS WITH SAUDI ARABIA. THEY BOTH INDICATE THE PRIMARY CAUSE OF THE DIFFICULTIES IN NEGOTIATING THIS CONTRACT STEM FROM PNOC'S EFFORTS

TO GET A LARGER PORTION OF (CHEAPER) SAUDI CRUDE
THAN IT WAS RECEIVING BEFORE THE DECEMBER 1976 OPEC
TWO TIER PRICE HIKE.

4. EMBASSY WOULD WELCOME ANY INFORMATION EMBASSY JIDDA
MAY HAVE ON THE STATUS OF PNOC/PETROMIN CRUDE SUPPLY
NEGOTIATIONS.
SULLIVAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 29-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition Reason:
Disposition Remarks:
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